



# **PACCAR** Inc

Business Center Building  
P.O. Box 1518  
Bellevue, Washington 98009  
Telephone (206) 455-7400

September 26, 1986

Mr. Larry Lowe  
President  
Atlas Building Wreckers, Inc.  
P.O. Box 17449  
Portland, WA 97217

Dear Larry:

This letter is being written to you in response to our meeting of August 29, 1986 and our subsequent telephone discussions on September 8 and 11, 1986. In response to your proposals made in our conversations, PACCAR will acquiesce in the following modifications to performance of the Revocable License Agreement of May 12, 1986 and related Security and Power of Attorney Agreements, since your proposed revisions are still within the general parameters of these Agreements between Atlas and PACCAR, and in consideration of the additional agreements of Atlas herein:

1. The Atlas payments to PACCAR on the crushed concrete will be reduced to 25¢ per yard sold, payable on a weekly basis.
2. Atlas will cause all PACCAR back rent and fees and costs of attorneys and other experts, as set forth in the Revocable License Agreement, to be paid in full by January 1, 1987.
3. All of the wood and other debris on the Premises will be removed by January 1, 1987.
4. The crushing of existing concrete at the Premises may continue until March 1, 1987, provided removal of all concrete and masonry material is accomplished by April 1, 1987.
5. The escrow account established in paragraph 8(J) of the Security Agreement will be immediately terminated and the amount held therein paid to PACCAR in partial payment of the fees and rent as set forth above in (2).
6. Payment to PACCAR for brick will be 3¢ for each brick sold as brick, but if sold as crushed material, payment will be made at the rate of 25¢ per yard sold in accordance with the above schedule for concrete.

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7. While all scrap iron will be removed from the Premises by Atlas, no percentage payments will be paid by Atlas to PACCAR on the scrap iron.
8. When all the wood is removed from the Premises (by January 1, 1987), Atlas will cause clean up surety bonds to be provided for clean up of remaining materials.
9. Atlas will provide a 24 hour watchman to prevent unauthorized material from being placed on the Premises.
10. Liability insurance for activities at the Premises under the Revocable License Agreement will be immediately provided, naming PACCAR, Allied Demolition, Atlas and Future Resources, Inc. as named insureds.
11. A local newspaper ad will be run for a period of one month for the sale of the creosoted wood. If the wood is not sold within that one month period, the wood will be ground and hauled from the Premises.
12. Evidence will be provided to us that Walter Lowe has paid dump fees for material that is hauled from the Premises, and has caused release of record forthwith of the security interests of Walter Lowe, Inc. shown in Exhibit D to the Security and Partial Settlement Agreement.
13. Weekly telephone reports by Atlas will be provided to the PACCAR Real Property Department with respect to sales and compliance with the cleanup schedule, and payments due from Atlas shall be made weekly.
14. At the time of the termination of the Revocable License Agreement on April 30, 1987, if PACCAR is still leasing the Premises, if the Premises is fully cleaned to the original state, and if appropriate cleanup bonds and insurance are provided, PACCAR will consider an arrangement with Atlas for continued crushing activities if PACCAR extends its lease of these Premises from the Desimones, although no PACCAR commitment is hereby made to agree to any such activity or arrangement or to extend PACCAR's lease.
15. Allied Demolition and Future Resources, Inc. may act on behalf of Atlas in cleaning up the Premises under the Revocable License Agreement as sublicensees of Atlas upon all terms and conditions of the Revocable License Agreement, but such recognition shall not constitute a release of Atlas or enlarge Atlas' rights under the Revocable License Agreement or in any other way affect the previous agreements between the parties.

16. You will confirm, in writing, that Atlas has notified its insurance carriers of all claims made by PACCAR against Atlas.
17. Notwithstanding any of the foregoing, the various time parameters set forth in the Shoreline Development Permit issued by King County (Application No. 009-86-SH), shall be strictly adhered to by Atlas. These time limits are as follows:
  - a. Removal of salvage, rubble materials, and other materials from within 200 feet of the Duwamish River by February 28, 1987; and
  - b. Removal of all materials located within 50 feet of the ordinary high water mark of the Duwamish River before September 30, 1986.

In addition, Atlas will comply with all other requirements and conditions of said permit.

We wish to again emphasize that the items set forth in this letter constitute only an acquiescence by PACCAR in the above referenced actions of Atlas, since they appear consistent with the framework of the Revocable License Agreement. This acquiescence is not to be deemed a waiver of any of the rights of PACCAR as set forth in the Revocable License Agreement and Security Agreement or Power of Attorney, nor shall PACCAR be estopped to require strict adherence to the terms of those agreements.

It has also come to our attention, both by your indications and from independent inquiry sources, that additional concrete has been recently placed on the site by Tri State Ohbayashi, Inc. or its subcontractors under an alleged agreement with Atlas. Placement of any additional materials on the Premises after February 1, 1986 is absolutely unacceptable and is specifically barred by the terms of the Revocable License Agreement.

Paragraph 4 of the Revocable License Agreement expressly provides that access to the Premises by Atlas shall only be for purposes of cleaning up the Premises. There is no provision for the storage of additional material and such actions are directly contrary to the terms of the Agreement. The continued deposition of any material on the site by Atlas, or others acting on behalf of or under agreements with Atlas, constitutes a breach of the Agreement, and PACCAR is prepared to strictly enforce the terms of the Agreement by utilizing the various judicial alternatives available to it. Demand is further made that Atlas forthwith cause removal of all extra material that has been deposited on the site since February 1, 1986, in particular, the above referenced concrete "sold" to Atlas by Tri-State Ohbayashi, Inc. or its subcontractors.

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In response to your specific request for permission to allow additional concrete material to be placed on the site for purposes of grinding and ultimate resale, we are willing to submit that proposal to PACCAR management only upon the obtaining of acceptable clean up bonds and insurance by Atlas, Allied, and/or Future Resources to assure that, if fact, the site will be cleaned of any additional concrete placed on the site. In addition, consent of PACCAR's lessor will be required for any such arrangement. No assurance of PACCAR or its lessor's consent is to be implied or inferred.

You further indicated that there was a possibility of a "requirements contract" to be established with a reputable, creditworthy purchaser of crushed concrete. Evidence of such a purchase contract would also be presented to PACCAR management and the Desimones with the other above requested items, in support of any recommendation that may be made to allow future crushing activity. You must understand, however, that even if counsel and I recommend approval of additional grinding activities after the delivery of the materials and items set forth above, the ultimate decision belongs to PACCAR management and the Desimone interests.

Until and unless that approval is obtained, you are specifically advised that we intend to take whatever action may be necessary to prevent the future deposition of any new materials whatsoever on the site. At the present time, you are authorized under the Revocable License Agreement only to sell and otherwise remove materials from the site. You should further be aware that continued dumping activity and violations of the terms of the Revocable License Agreement would clearly have a negative impact upon any recommendation made to management regarding future activities of Atlas.

With respect to the items enumerated as items 1 through 17 above, you must acknowledge your acceptance of the acquiescence of PACCAR in the performance of those items, and Atlas' additional undertakings set forth herein upon which such PACCAR acquiescence is conditioned, by signing the copy of this letter and returning it to me forthwith.

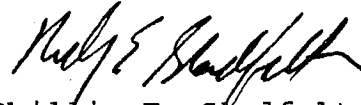
If we have not received the executed letter by the close of business on October 3, 1986, our acquiescence in your proposals as set forth herein shall be deemed withdrawn and we shall proceed under the express terms of the Revocable License Agreement and related agreements.

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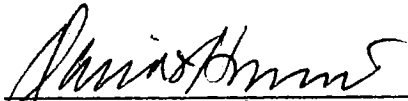
Your signature hereto constitutes Atlas Building Wreckers, Inc.'s representation and warranty of your authority to enter into this Agreement. Except as PACCAR has herein acquiesced in, and Atlas has undertaken, the matters set forth in paragraphs 1 through 17 herein, the Revocable License Agreement, Security and Partial Settlement Agreement and Irrevocable Special Power of Attorney remain unaltered and in full force and effect and are ratified and confirmed by the parties.

Very truly yours,



Phillip E. Gladfelter  
Corporate Real Property Manager

APPROVED:



David J. Hovind  
Senior Vice President

ACCEPTED AND AGREED BY:

ATLAS BUILDING WRECKERS, INC.

By: \_\_\_\_\_

LARRY LOWE  
President

Date: \_\_\_\_\_

cc: D. Sweeney, Esq. ✓  
R. Reynolds  
M. Candaux  
K. R. Brownstein  
J. Sorenson/F. Fleischmann  
T. P. Lukens, Esq.

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